

Our Ref JAP

Date

Dear [ ],

Following a recommendation of the Nomination Committee, the Board of Enterprise Inns plc ("the Company") will resolve to appoint you as a non-executive director on [ ]. This letter contains the terms on which it is hoped you will agree to hold office as a non-executive director of the Company on the basis of a contract for services and not a contract of employment. The Board of directors is concerned to follow best practice from a corporate governance perspective as regards the role and duties of non-executive directors and accordingly: -

1. Your appointment as a non-executive director will take effect from [ ] and will continue thereafter until the Annual General Meeting of the Company in January [ ] when you will have to be elected. Subsequently, your appointment will continue thereafter until subsequent Annual General Meetings of the Company unless you fail to be re-elected at any Annual General meeting of the Company at which a resolution has been proposed to re-elect you. Non-executives are expected to serve two three year terms, although the Board may invite you to serve an additional period.
2. If either side should wish to terminate your appointment (otherwise than in the circumstances covered by clause 10 below), 6 months prior written notice should be given. Such notice may expire at any time, notwithstanding your appointment from one Annual General Meeting of the company to the next.
3. Your appointment will terminate automatically without any requirements for notice or compensation if you: -
  - 3.1 vacate your office under Article 103 of the Company's Articles of Association;
  - 3.2 are removed from office as a director by any resolution duly proposed and resolved by the members of the Company in General Meeting (provided always that, where a poll is demanded, the result of the poll will count); or
  - 3.3 are not re-elected as a director when you submit yourself to re-election.
4. Overall we anticipate a time commitment of up to 15 days per annum after the induction phase. This will include attendance at regular board meetings, the AGM, and other meetings as necessary. In addition, you will be expected to devote appropriate preparation time ahead of each meeting. By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. The agreement of the Chairman should be sought before accepting additional commitments that might impact on the time you are able to devote to your role as a non-executive director of the company.

5. Your role will be that of an independent director, bringing an objectivity and independence of view borne by your outside experience, helping the Board to provide the Company with effective leadership and ensuring the continuing effectiveness of the management team and the high standards of probity within the Company. Non-executive directors have the same general legal responsibilities to the company as any other director. The board as a whole is collectively responsible for the success of the company.

The Board:

- Provides entrepreneurial leadership of the company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- Sets the company's strategic aims, ensures that the necessary financial and human resources are in place for the company to meet its objectives, and reviews management performance; and
- Sets the company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

All directors must take decisions objectively in the interests of the company and have due regard to the directors duties codified in the Companies Act 2006.

In addition to these requirements of all directors, the role of the non-executive director has the following key elements:

- **Strategy** Non-executive directors should constructively challenge and help develop proposals on strategy;
- **Performance** Non-executive directors should scrutinize the performance of management in meeting agreed goals and objectives and should monitor the reporting of performance;
- **Risk** Non-executive directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible; and
- **People** Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.

6. The Company will pay you an annual director's fee of £[ ] payable in monthly instalments in arrears. These fees include any work involved with the Committees detailed below. This will be reviewed periodically by the Board. The Board reserves the right to pay you an additional fee where the discharge of your fiduciary obligations makes exceptional demands on your time.
7. In addition to your general fiduciary responsibilities, you will be required to serve on the Audit Committee and the Remuneration Committee each of which are sub-committees of the Board consisting entirely of non-executive directors and the Nominations Committee. The Board may also need you to serve on other sub-committees and/or to accept additional appointments in or on behalf of the Company, where best practice requirements dictate that a non-executive presence is required. The terms of reference for the applicable Committees will be covered during induction.

As you know it is anticipated that you will be asked to chair the Audit Committee from a date to be agreed following the AGM in January [        ]. A supplementary fee is payable for this role.

8. In order to satisfy the requirements of a public company, you are expected to attend each meeting of the Board and of any committees to which you are appointed. If you are unavoidably unable to attend, as much prior notice as possible should be given to the Chairman of the Board. The performance of individual directors and the whole board and its committees will be evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman in the first instance or the senior independent director as soon as is appropriate.
9. You will be fully reimbursed for all out-of-pocket expenses you incur in discharging your duties on production of appropriate proofs of payment. The Company's procedures require you to obtain authorisation in advance from the Chief Executive for any item of expenditure over £1,000 and any expenses to be incurred overseas or for foreign travel.
10. Due to your non-executive status, you are not eligible to participate in any share option, bonus schemes or other benefits of the kind available to executive directors of the Company. The Company does, however, maintain directors' and officers' liability insurance, details of which will be included in an induction pack which will be sent to you under separate cover during the course of the next week.
12. If any circumstances should arise in which it becomes necessary for you to seek separate independent professional advice about your responsibilities as a director of the Company, you will of course, be reimbursed for your reasonable professional costs of doing so.
13. You must not make any statements on the Company's behalf or concerning the Company to the press, media, venture capitalists, brokers, banks, financial analysts and/or anyone associated with the stock market or investor community, including the disclosure of price sensitive information, unless you have first consulted with the Chairman and Company Secretary.
14. You will be required as a director to comply with the Company's Model Code on share dealing, a copy of which will be included in the induction pack.
14. It is accepted and acknowledged that you have business interests other than those of the company and have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Chairman and Company Secretary as soon as apparent. In order that it can give its approval, it will be necessary for you to disclose to the Board, all outside directorships and other (direct or indirect) interests, employments, consultancies or associations held by you or members of your family. You must also keep the Board informed on a continuing basis of all changes to such arrangements and should consult with the Chairman before accepting any directorships of other public quoted companies. During your appointment, you will not be free, unless prior written approval has been given by the Board, to take up new directorships or hold other interests in the same industry as a Company or which could give rise to a conflict of interest in some other way.
15. Immediately after appointment the Company will provide a comprehensive induction. This will include meetings as necessary with senior management and auditors and as requested with major shareholders.

Formalities: -

- (a) Please sign, date and return the attached copy of this letter to me, confirming your acceptance of the appointment and its terms. If the terms of this appointment cause you any difficulty, please let me know.
- (b) We will prepare form 288a to record your appointment at Companies House.
- (c) Please find attached a formal declaration pursuant to UK Listing Rules concerning the appointment of directors. By signing this you confirm that there are no relevant disclosures necessary under paragraphs 6.F. 2 (a) to (g). If any of these are applicable please provide full details. Please supply a list of all companies and partnerships where you have been a director or partner within the last 5 years (indicating whether or not you are still a director).
- (d) Please also find attached a formal declaration of independence. The Company is required to identify in its annual report those directors it consider independent and in signing this you confirm that you are not aware of any relevant factors affecting your independence and judgment.

Yours sincerely

**H V Reid**  
**Chairman**  
**for and on behalf of**  
**Enterprise Inns plc (the "Company")**

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I agree to the terms and conditions set out above relating to my appointment as non-executive director of the Company.

IN WITNESS WHEREOF I HAVE EXECUTED THIS DOCUMENT AS A DEED ON THE DATE SET OUT BELOW: -

Signed and delivered by \_\_\_\_\_

in the presence of: \_\_\_\_\_

Witness's name: \_\_\_\_\_

Witness's address: \_\_\_\_\_

Witness's occupation: \_\_\_\_\_

Date: \_\_\_\_\_

### **Non Executive Director - Declaration of Independence**

The board of Enterprise Inns plc ("the Company") is required to identify in its annual report each non-executive director it considers to be independent. The board of the Company therefore has to determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The board of the Company considers that the existence of relationships or circumstances, which may appear relevant to its determination of independence, include the following

That you: -

- have been an employee of the company or group within the last five years;
- have, or has had within the last three years, a material business relationship with the company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;
- have received or receive additional remuneration from the company apart from a director's fee or participate in the company's share option schemes;
- have close family ties with any of the company's advisers, directors or senior employees;
- hold cross-directorships or have significant links with other directors through involvement in other companies or bodies (other than those disclosed and approved);
- represent a significant shareholder; or
- have served on the board for more than nine years from the date of your first election.

By signing below you are declaring that none of the circumstances above apply to your appointment and that you consider yourself Independent in your role as a Non Executive Director of the Company.

You will be required to sign further declarations annually throughout your appointment.

Signed.....

Dated.....

## Enterprise Inns plc (“the Company”)

### Directors Declaration on Appointment

Under Rule 9.6.13 of the UK Listing Rules the Company has to disclose full details of the Director to the UK Listing Authority and make an announcement to the LSE. This includes those specific details (if any) set out below

6.F.2 In the case of each person details of that person’s relevant management expertise and experience and the following information:

- (a) the names of all companies and partnerships of which such person has been a director or partner at any time in the previous five years, indicating whether or not the individual is still a director or partner;
- (b) any unspent convictions in relation to indictable offences;
- (c) details of any bankruptcies or individual voluntary arrangements of such person;
- (d) details of any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where such person was a director with an executive function at the time of or within the 12 months preceding such events;
- (e) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person was a partner at the time of or within the 12 months preceding such events;
- (f) details of receiverships of any asset of such person or of a partnership of which the person was a partner at the time of or within the 12 months preceding such event; and
- (g) details of any public criticisms of such person by statutory or regulatory authorities (including recognized professional bodies) and whether such person has even been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

or, if there is no such information to be disclosed, that fact.

By signing below you are declaring that you have provided us with full details of those relevant companies required in paragraph (a) and confirm that, other than those already disclosed to the Company, there are no details to be disclosed relating to paragraphs (b) to (g) above.

Signed.....

Date.....